

SCIENCE & EDUCATION Impact

Benefits From the USDA/Land-Grant Partnership

Making Money and Making It Go Farther

Boosting financial security and self-confidence.

Stigmatized by labels, people who are poor and unemployed often face a difficult first step back to employment and financial security. Land-Grant universities offer a helping hand that makes this step less daunting. Other people need help digging out from under a debt load or expanding their existing income. That help comes in the form of education, training, and U.S. Department of Agriculture (USDA)/Land-Grant programs involving partnerships with other agencies, businesses, and communities. The result: less public assistance and a more robust economy. For individuals, boosts in self-image and self-confidence are dividends of financial self-sufficiency.

Payoff

- **Working toward work.** A week after attending a **Missouri** Extension on-the-job training program, one woman created a résumé and was hired for a new job. “I have never had a résumé because I didn’t know how to write one and didn’t have any work experience,” she said. Another participant stated, “Now I know I do have job skills, and I’ll be able to answer job ads that require a résumé.”
- **Money matters.** Surveys show that elderly African-Americans often don’t take advantage of money management courses. Since 1995, **Delaware** Extension has trained 266 elderly citizens to handle their finances better and to help others do so. Of those reached by the program, 75 percent said the training improved their day-to-day living. One participant became so proficient that she was hired by a state agency and eventually became acting head. Delaware programs also improved understanding of credit reports and laws. A woman who participated in a **Missouri** program was able to correct information on her credit record—opening the door to a move from a rental trailer to an apartment complex, where she eventually became manager.
- **Taking credit.** The Internal Revenue Service recognized **Missouri** Extension for helping to boost the number of families taking advantage of the Earned Income Credit. In 1996, more than 384,000 Missouri families received more than \$559,709 from the Credit, which is designed to reward work and discourage

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welfare dependency. These benefits, spent locally, are estimated to have more than \$1 billion in economic impact nationwide.

- **No place like home.** The First Time Homeowners Program offered by **Tennessee** Extension helped 302 participants develop spending habits that eventually led to the purchase of their own homes. The program included 161 Habitat for Humanity families who purchased homes at an average of \$10,000 below market price. Of the participants, 191 received low-interest loans. In **Utah**, where home prices have increased by 75 percent in the last five years, a similar program is offered.
- **Master helpers.** In a **Georgia** county where jobs in the horticulture industry outstrip the availability of employees, volunteers in extension's Master Gardener Program taught a hands-on horticulture course to physically and mentally challenged adults. The course provides employees for local industry and boosts participants' income potential and self-esteem.
- **Women on their own.** As a result of divorce, widowhood, or choosing to remain single, women are spending more time on their own. Statistically, they're more likely to live with limited incomes and depend on Social Security. A **Purdue** Extension program improved women's confidence in their management skills. At the start of the program, fewer than 50 percent of the participants felt they could affect their financial situations positively. At the end, the number jumped to more than 90 percent. About 40 percent of participants reviewed or made changes to investments during the program. After the program, one woman—the director of a local nonprofit agency—set up a retirement program that included coverage for the agency's other five female employees.
- **Turning the page on Chapters 11 and 13.** In **Tennessee**, where the per-capita personal bankruptcy rate is the highest in the nation, extension financial management classes helped 962 people develop spending plans, 135 people establish a savings plan, and 49 people reduce their debt load by a total of \$35,500. A **Georgia** Extension program saw similar results. In an **Illinois** program, 66 percent of partici-

pants identified and planned to reduce money "leaks" in their spending habits.

- **Money for the millennium.** The Money 2000 program at **Cornell** teaches goal setting, record keeping, budget planning, and credit management to help consumers increase savings or reduce debt by the year 2,000. If 2,000 families in each of **New York's** 62 counties enroll in **Cornell** Extension's program, they could increase their net worth by \$248 million. If 100,000 households sign on in **Illinois**, the net worth of these households could increase by \$200 million. Money 2000 also is offered in **North Carolina**, **North Dakota**, **Utah**, and other states.
- **Staying home.** Working at home is a growing trend—both in urban areas and in rural states such as **Oklahoma**, which has approximately 175,000 home-based businesses. **Oklahoma State** Extension's Home-Based Business Program offers individuals a realistic look at the commitments and skills required for a successful business as well as information on set-up and operation. Thanks in part to this program, more than 75 percent of home-based enterprises in the state are still operating after three years, compared to about 50 percent nationally.
- **Credit risk.** The average **New Jersey** household carries \$7,000 in credit card debt and pays \$1,000 annually in interest and fees. **Rutgers** Extension worked with families statewide to reduce debt. In the first half of 1997, a total of 939 families reported \$712,325 in savings or reduced debt. The program has been shared with 20 other states.



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